got along with the money collected by the co-operative societies to be made use of for the purpose for which it is meant. It will not be made use of to be spent on establishment.

Sri J. MOHAMED IMAM.—Is it not a fact that this amount is utilised for purchasing typewriters, cycles and such other things?

Sri H. SIDDAVEERAPPA.—That is different from the pay of establishment. These are all non-recurring expenditure. Pay of the establishment is recurring expenditure.

Sri J. MOHAMED IMAM.—What is the result of the working of these co-operative societies? Are they paying? At least those societies which were started in the beginning—how many of them are working at a profit and how many are working at a loss?

Sri H. SIDDAVEERAPPA.—No society established under the rural industrialisation scheme will work under loss. So far as the figures are concerned, I can show convincingly to the Hon'ble Member that the Government have spent Rs. 24,41,000 up to the end of March. But actually we have got more than 30 lakhs at the disposal of all these co-operative societies. Therefore, rural industrial scheme will work at a no-loss basis.

Manganese ore—(Sale by Bureau of Mineral Development).

Q.—335. Sri A. BHEEMAPPA NAIK (Molakalmuru).—

Will the Government be pleased to state :—

(*a*) whether Sri Gangadharaswamy of Bangalore City purchased 1,000 tons of Manganese ore from the Bureau of Mineral Development at Rs. 40 per ton in the year 1954 ;

(*b*) whether he applied recently for reducing its rate even though the last date for paying and taking delivery had expired ;

(*c*) the action taken by them on that application ;

(*d*) whether similar applications were received from others ;

(*e*) the action taken thereon ;

(*f*) the selling rate of Manganese ore of that percentage on the date of application for reduction and on the date of tender ?

A.—Sri H. SIDDAVEERAPPA (Minister for Home and Industries).—

(*a*) He offered to purchase 1,000 tons of both high grade (42-46 per cent) and low grade (38-42 per cent) ore at Rs. 55 and Rs. 40 per ton, respectively ex-pit's mouth, in March 1954. The offer was accepted by the Department in April 1954.

(*b* No date was fixed for paying and taking delivery of the ore. He applied for reduction in the rate.

(*c*) 1,000 tons of low grade ore (38 42 per cent) were ordered to be sold to him at Rs. 30 per ton f.o.r. Kumsi Railway Station. This transaction is not yet finalised.

(*d*) Yes ; two applications : one from Sri Avala Reddy and another from Sri S.G.A. Naidu.

(*e*) 500 tons of 38-42 per cent grade ore were ordered to be sold to Sri Avala Reddy at Rs. 30 per ton f.o.r. Kumsi Railway Station. Sri Avala Reddy got a reduction of about Rs. 16 per ton when compared with his original offer. The application of Sri S.G.A. Naidu which relates to a higher grade ore of 40-42 per cent is under final orders.

(*f*) The rate prevailing at the time of offer of purchase by Sri Gangadharaswamy in March 1954 for 38-42 per cent grade ore was between Rs. 35 and 40 per ton f.o.r. Kumsi Railway Station and the rate prevailing at the time of his application for reduction in December 1954 for the same grade of ore was between Rs. 25 and Rs. 30 per ton f.o.r. Kumsi Railway Station. No tenders were called for when ore was offered for sale in March 1954.

Sri A. BHEEMAPPA NAIK.—What is the usual mode of disposing saleable properties of the Government like minerals or any other commodity?

Sri H. SIDDAVEERAPPA.—Sir, have I to answer so far as this particular department is concerned or for all the departments of Government ?

Sri A. BHEEMAPPA NAIK.—I will ask particularly about this Department. How are you disposing of the minerals which you mine? Are you disposing them of to any person who files an application or do you call for tenders and give time to people to give tenders and all that?

Sri H. SIDDAVEERAPPA. Sir, for the first time, the department disposed of to three persons the available stock. Government found that was not the correct procedure. Therefore, in the month of October 1954, Government issued an order to them stating that whatever surplus stock they have will have to be disposed of only under the system of tender and no private deal or negotiations should take place.

12-30 P.M.

Sri A. BHEEMAPPA NAIK.—Who told them that there was stock available and that it would be sold?

Sri H. SIDDAVEERAPPA.—I do not know. What all these three gentlemen mentioned in the applications is: "We understand you have surplus stock. Are you prepared to sell to us." It is an offer given by them. But they did not disclose wherefrom they got the information.

Sri A. BHEEMAPPA NAIK.—What is the time limit fixed for taking over the delivery of the commodity which has been purchased by anybody? Can he go on for a year? Did he pay any earnest money when he purchased?

Sri H. SIDDAVEERAPPA.—In these cases, earnest money was not insisted upon nor any time-limit was fixed.

Sri A. BHEEMAPPA NAIK.—Can anybody who purchased the commodity take delivery of the goods at any time and at the same time ask for reduction in rates?

Sri H. SIDDAVEERAPPA.—Sir, as I have already submitted, in this particular case, what happened was, the Department for the first time had this surplus stock. They had no surplus stock so far, but on account of extending their mining operations, they had surplus stock. Therefore, when offers came, they readily accepted and they did not stipulate time for lifting the stock. When the matter came to the notice of the Government, they said: "You should not do it like that hereafter; you must do it under a system of tender." Therefore these three cases will have to be isolated. The Department has been excused because this was the first time they did like that in their whole career.

Sri A. BHEEMAPPA NAIK.—That is true. But when you regularised in the month of October, was it proper for the Department or the Minister whoever it is, to reduce the rate without calling for tenders at least then for a commodity which was sold a year back if no transaction had taken place?

Sri H. SIDDAVEERAPPA.—There was already a completed transaction with regard to these three cases. They were done in the earlier part of 1954; one of them was done in September 1953. Only with regard to subsequent transactions that have been entered into from October 1954, the Government have directed that these things will have to be disposed of only through tenders and that instruction has since been followed by the Department. I could not regularise it with regard to previous transactions.

Sri A. BHEEMAPPA NAIK.—You need not have regularised that. But why did you reduce the rate? Was it just a gift made to the purchaser at Rs. 10 per ton for 1,000 tons? Was it a gift made by the Minister to that person who had himself given a tender at a certain rate and had purchased it?

Sri H. SIDDAVEERAPPA.—The Minister has no gift to offer to anybody. It was all done by the Department for reasons explained by them. The reason explained was that there was slump in the market; the mineral could not move and nobody was there to purchase. Under those circumstances, taking the market rate at the time when these people offered to purchase into consideration, the Director of Geology came to the conclusion that the rate offered was quite in consonance with the market rate and therefore he made recommendations to me stating: "If you do not do it, this stock will not move." Therefore I

agreed with him and said that it may be done irrespectively in respect of these three cases.

Sri A. BHEEMAPPA NAIK.—The same percentage of mineral was sold. Did he make enquiries at what rate was it sold in the market on the date when he reduced the rate ?

Sri H. SIDDAVEERAPPA.—Yes, I made enquiries and I came to the conclusion that the reduced rate was quite in consonance and conformity with the market rate at the time when this order was passed.

Sri A. BHEEMAPPA NAIK.—Can he give me at least one instance as to who sold at that rate and who purchased at that rate in Mysore State ?

Mr. SPEAKER.—May I bring to the notice of the Hon'ble Member that all this discussion cannot take place now. It is an important question no doubt ; I realise that. But now during question hour, I do not think it will be possible for the Hon ble Member to enter into discussion and then elicit information.

Sri A. BHEEMAPPA NAIK.—It is a very important question. When I put a supplementary, they say that they have enquired about the prevailing rate and sold at that rate. I am now prepared to offer Rs. 5 more than that rate.

Mr. SPEAKER.—May I bring to the notice of the Hon'ble Member that the point at issue may be very serious. So far as that is concerned, I do not give any ruling. But I want to bring to his notice that during question time, all this discussion cannot take place. Therefore, when demands are taken up this question can be raised.

Sri A. BHEEMAPPA NAIK.—The object of putting questions is to elicit information. Without information how am I to speak even on the cut motion or any other thing ?

Mr. SPEAKER.—At the time of discussion on the cut motions you can elicit information from the Minister.

Sri A. BHEEMAPPA NAIK.—This may be taken up as a special question this evening and answers furnished to me.

Mr. SPEAKER.—You can give notice to that effect and I have no objection to consider that.

Sri A. BHEEMAPPA NAIK.—I have not put even half a dozen supplementaries, but you say that the time is up. I submit this is an important question which relates to general trade where the Government have entered into business in minerals. This is where we want to regularise and see that the Government do not gift out moneys to purchasers.

Mr. SPEAKER.—Therefore, I brought to the notice of the Hon'ble Member to take some other opportunity and have a full discussion.

Sri H. SIDDAVEERAPPA.—Before it is done, I repudiate we have made any gift.

Sri A. BHEEMAPPA NAIK.—Here it is patent. The public will judge it.

Sri H. SIDDAVEERAPPA.—The public will judge it when they look into the case.

Sri J. MOHAMED IMAM.—The Loudspeaker may be kept at a distance so that it may not get damaged.

(*Laughter*).

Sri Mulka GOVINDA REDDY.—I want to put a question.

Mr. SPEAKER.—I have curtailed the right of even the Hon ble Member who had tabled the question so that he could bring in the same question in some other form. Hon'ble Members will kindly take that opportunity.

Sri N. C. NAGIAH REDDY.—On a point of order. I want to put a relevant question.

Mr. SPEAKER.—Then I have no objection even if you take half an hour.

Sri N. C. NAGIAH REDDY.—But you cannot cut short our time to put questions.

Mr. SPEAKER.—I leave it to the House.

Sri N. C. NAGIAH REDDY.—We want freedom to put questions. You cannot cut short the time on such an important question.

Mr. SPEAKER.—That is why I said that another opportunity may be taken to discuss this question.

Sri N. C. NAGIAH REDDY.—We want to have an opportunity to put supplementaries.

Mr. SPEAKER.—I have no objection even if it is to be discussed till one o'clock.

Sri N. C. NAGIAH REDDY.—It is an important question and so you must allow us to put questions.

Mr. SPEAKER.—Then Sri Bheemappa Naik may continue to put his supplementaries.

Sri A. BHEEMAPPA NAIK.—I have no more questions.

Sri Mulka GOVINDA REDDY.—After the offer was made and accepted by the Department, I would like to know whether an agreement was entered into between Sri. Gangadharaswamy and the Department regarding taking of delivery and payment to be made?

Sri H. SIDDAVEERAPPA.—As I have already said, Sir, in the case of these three cases, there was no agreement; there was an offer, there was an acceptance; there was a completed contract. But unfortunately in all these cases, they did not stipulate for the lifting of the goods within a particular time; and when these applications were made by each one of them, the Department considered the cases and made a recommendation to Government stating that in view of the low rate prevailing in the market, a concession rate might be granted. Government have passed orders. Even in the case of Gangadharaswamy, although an order was passed, he has not taken advantage of the order that was passed.

Sri Mulka GOVINDA REDDY.—Is it not obligatory if any contract is entered into by two parties, the mode of delivery and payment to be made should be stipulated either orally or in a written agreement?

Sri H. SIDDAVEERAPPA.—Normally it ought to be so, Sir. As I have said, this Department did not take any stipulated agreements or contracts and when the contractors came, they accepted and intimated them "We are prepared to sell this at a rate."

Sri Mulka GOVINDA REDDY.—Did the Department seek any instruction from the Government in this respect?

Sri H. SIDDAVEERAPPA.—No, Sir. Only with regard to reduction of rates they sought the instructions of Government.

Sri Mulka GOVINDA REDDY.—When this matter came up before the Government, did the Government ask the Departmental Head why such a contract was entered into and why the stipulation regarding the payment and delivery was not entered into?

Sri H. SIDDAVEERAPPA.—It was ascertained and Government were given to understand that this being the first transaction of its kind in the Department, they had taken it up accepting *bona fide* in the interest of the Department to dispose of the stock which otherwise could not be disposed of being of low grade and then you see when it was given to them, Government told them that every thing will have to be done legally by means of a tender, taking legal advice if necessary.

Sri Mulka GOVINDA REDDY.—Because of the dereliction of duty on the part of the Head of the Department, is it not a fact that the Government are losing Rs. 10,000 on this account?

Sri H. SIDDAVEERAPPA.—It has been already answered, Sir, when this reduction was recommended by the Director of Geology, *viz.*, the Head of the Department, he has stated that, 'I am making this recommendation based on the market value and Government will not have any other opportunity of selling the stock which would otherwise be a dead stock. And therefore Government accepted his recommendation.

Sri Mulka GOVINDA REDDY.—When the offer was accepted, was it not within the power of the Department or the Government to collect the money from Sri Gangadharswamy?

Sri H. SIDDAVEERAPPA.—As I have already said, all these three cases will have to be viewed as a single transaction.

Sri Mulka GOVINDA REDDY.—Is it not a fact that S. G. A. Naidu has applied to the Government for reduction of rates with regard to supplies made to him by the Department?

Sri H. SIDDAVEERAPPA.—Yes.

Sri Mulka GOVINDA REDDY.—What action has the Government taken in that matter ?

Sri H. SIDDAVEERAPPA.—I have recommended the acceptance of the recommendation of the Director of Geology. There was some difference of opinion between the Financial Secretary and myself; according to rules the file has gone to the Finance Minister.

Sri SYDNEY A. THOMAS.—May I know whether the mining of this ore was undertaken as an exploratory measure or a business measure ?

Sri H. SIDDAVEERAPPA.—It was taken up solely for the purposes of supply to Bhadravati Iron and Steel Works and second by for exploratory purpose and then they thought of disposing of it as they had surplus stock.

Sri SYDNEY A. THOMAS.—What was the cost per ton ?

Sri H. SIDDAVEERAPPA.—I want notice for that.

Sri SYDNEY A. THOMAS.—Is it not the business of the Government to know the production cost ?

Sri H. SIDDAVEERAPPA.—I want notice to let you know immediately.

Sri M. RAJASEKHARAMURTHY.—Is it not a fact that the prices of minerals are subject to fluctuation in the market ?

Sri H. SIDDAVEERAPPA.—Yes; they are liable to fluctuation.

ಶ್ರೀ ಎ. ವಿ. ನರಸಿಂಹರೆಡ್ಡಿ.—ಇದೊಂದು completed company contract ಆಗಿತ್ತು, ಅದಕ್ಕಾಗಿ ಈ ಖನಿಜವನ್ನು ಸಾಗಿಸುವುದಕ್ಕೆ ಅವಕಾಶ ಕೊಡಬೇಕಾಯಿತು ಎಂದು ಹೇಳಿದಿರಿ. ಅವರು reductionನ್ನಿಗೆ apply ಮಾಡಿಕೊಂಡಮೇಲೆ, ಅದು completed contract ಆಗಿ ಉಳಿದುಕೊಂಡಿರುತ್ತದೆಯೇ ? ಅದು completed transaction ಆಗುತ್ತದೆಯೇ ?

Sri H. SIDDAVEERAPPA.—That is a matter on which I will have to take legal opinion and answer.

ಶ್ರೀ ಕೆ. ವಿ. ಬೈರೇಗೌಡ.—ಚೆಂಡರು ಹಾಕಿರತಕ್ಕ ಕಂಟ್ರಾಕ್ಟರನ್ನು accept ಮಾಡಿಕೊಳ್ಳುವುದಕ್ಕೆ ಮೊದಲು ಅವರ ಆಸ್ತಿಪಾಸ್ತಿಗಳೇನು, ಅವರ ಹಕ್ಕು ಬಾಧ್ಯತೆಗಳೇನು ಎಂಬುದನ್ನು ನೋಡಿ ಚೆಂಡರನ್ನು accept ಮಾಡಿಕೊಂಡಿರಾ ? ಅವರು solvents ಅಥವಾ insolvents ಎಂಬುದನ್ನು ನೋಡಿದಿರಾ ?

ಶ್ರೀ ಎಚ್. ಸಿದ್ದವೀರಪ್ಪ.—ಚೆಂಡರು ತೆಗೆದುಕೊಳ್ಳಲಿಲ್ಲವೆಂದು ಆಗಲೇ ಹೇಳಿದೆ.

ಶ್ರೀ ಕೆ. ಪುಟ್ಟಸ್ವಾಮಿ.—ಇದನ್ನು ಸಾಗಿಸಿದ್ದು ಯಾವಾಗ ?

ಶ್ರೀ ಎಚ್. ಸಿದ್ದವೀರಪ್ಪ.—ಇನ್ನೂ ಸಾಗಿಸಿಲ್ಲ.

ಶ್ರೀ ಕೆ. ಪುಟ್ಟಸ್ವಾಮಿ.—ಮುಂಚೆ ex-pit mouthಗೆ ತಂದುಕೊಡುವುದಾಗಿ ಒಪ್ಪಿಕೊಂಡಿದ್ದಿರಿ; ಹೀಗಿರುವಾಗ ಕುಂಸಿ ರೈಲ್ವೆ ಸ್ಟೇಷನ್ನಿಗೆ ತಂದುಕೊಡುತ್ತೇವೆಂದು ಆಮೇಲೆ ಹೇಗೆ ಒಪ್ಪಿಕೊಂಡಿರಿ ?

ಶ್ರೀ ಎಚ್. ಸಿದ್ದವೀರಪ್ಪ.—Ex-pit mouthಗೂ ಕುಂಸಿಗೂ ಒಂದು ಟನ್ನಿಗೆ ಆರು ರೂಪಾಯಿಗಳ ವ್ಯತ್ಯಾಸ ಇರುತ್ತದೆ. ಆಗಿನ ದುಡಿಂದ, ಆಗ ಇರ ತಕ್ಕ ಪರಿಸ್ಥಿತಿಯಿಂದ, ಕುಂಸಿಗೆ ತಂದುಕೊಟ್ಟರೆ ಆಗಿನ ದರಕ್ಕೆ comformity ಯಲ್ಲಿರುತ್ತದೆಂದು ಜಿಯಾಲಜಿಡ್ರೈರೆಕ್ಟರವರು ಹೇಳಿದರು. ಸರ್ಕಾರದವರು ಅದನ್ನು ಒಪ್ಪಿಕೊಂಡರು.

ಶ್ರೀ ಕೆ. ಪುಟ್ಟಸ್ವಾಮಿ.—ಆಗ ಕುಂಸಿ ರೈಲ್ವೆ ಸ್ಟೇಷನ್ನಿಗೆ ಸರ್ಕಾರದವರೇ ಅಲ್ಲವೆ ಇನ್ನೂ ಯಾರಾದರೂ ತಂದು ಪಾರುತ್ತಿದ್ದರೇ ?

Sri H. SIDDAVEERAPPA.—As I have already said, this transaction is the first of its kind so far as the Government is concerned.

Sri K. PUTTASWAMY.—I want to know whether there is any person in the field who sells this mineral ore ?

Sri H. SIDDAVEERAPPA.—There are quite a number of them.

Sri K. PUTTASWAMY.—Has the Government tried to ascertain what was the rate prevailing at that time, Sir ?

Sri H. SIDDAVEERAPPA.—As I have already said, Sir, I will read, if necessary, the letter of the Director of Geology in that behalf, when he made that recommendation.

This is the letter written by the Director. He says.—

> "I wish to say that the market for manganese ore has been on a downward trend and the condition which prevailed when the offer was made did not continue to exist at the time of delivery. Hence I am making this recommendation."
> That is what he says.

ಶ್ರೀ ಕೆ. ಪುಟ್ಟಸ್ವಾಮಿ.—ಅವರ recommendationಅನ್ನು ನಾನು ಕೇಳಲಿಲ್ಲ. ಬೇರೆಯವರು ಈ ಖನಿಜವನ್ನು ಆ ಕಾಲದಲ್ಲಿ ಯಾವ ದರದಂತೆ ಮಾರುತ್ತಿದ್ದರೆಂಬುದನ್ನು ತಿಳಿದುಕೊಂಡಿರಾ ?

ಶ್ರೀ ಎಚ್. ಸಿದ್ದವೀರಪ್ಪ.—ಅವರು ಹತ್ತು ರೂಪಾಯಿಗಳ reduction ಬೇಕೆಂದು ಕೇಳಿದಾಗ ಮಾರ್ಕೆಟ್ಟಿನಲ್ಲಿ ವ್ಯಾಪಾರ ನಡೆಯುತ್ತಿರಲಿಲ್ಲ. ಕೆಲವು ಕಂಪೆನಿಗಳು ಮುಚ್ಚಿಹೋಗಿದ್ದುವು. ಮಾರ್ಕೆಟ್ಟು ಇಳಿಮುಖವಾಗಿತ್ತು ಎಂದು ತಿಳಿದಿತ್ತು.

ಶ್ರೀ ಕೆ. ಪುಟ್ಟಸ್ವಾಮಿ.—ಯಾವತ್ತು ಅವರು ಕೊಂಡುಕೊಳ್ಳುತ್ತೇವೆಂದು ಕೇಳಿದರೋ ಅವೊತ್ತಿನ

(ಶ್ರೀ ಕೆ. ಪುಟ್ಟಸ್ವಾಮಿ).

ಧಾರಣೆಗಿಂತ ಬೆಲೆ ಏರುತ್ತಾ ಹೋಗಿದ್ದರೆ, ಅವರಿಂದ ಹೆಚ್ಚಿಗೆ ವಸೂಲು ಮಾಡಿಕೊಳ್ಳುತ್ತಿದ್ದಿರಾ ?

(*No answer*)

Sri K. PUTTASWAMY.—I want to know whether the Government would have enhanced their rate even if the prevailing market rate had gone up ?

Sri H. SIDDAVEERAPPA.—I would invite the attention of the Hon'ble House to my reply to (*f*). It has been very clearly stated "The rate prevailing at the time of offer of purchase by Sri Gangadharaswamy in March 1954 for 38-42 per cent grade ore was between Rs. 35 and Rs. 40 per ton f.o.r. Kumsi Railway Station and the rate prevailing at the time of his application for reduction in December 1954 for the same grade of ore was between Rs. 25 and Rs. 30 per ton f.o.r. Kumsi Railway Station. No tenders were called for when ore was offered for sale in March 1954". I have made it very clear.

Sri K. PUTTASWAMY.—I have read the clear answer to (*f*). But I want to know on what basis are you giving this answer ?

Sri H. SIDDAVEERAPPA.—On the basis of the report of the Director of Geology which I have every reason to expect to be most accurate. On the basis of the market trend and the conditions prevailing in the field, he gave me that report and I worked out on the basis of his report.

Sri K. PUTTASWAMY.—No doubt it may be the information supplied by the Director of Geology in whom you have a lot of confidence, but I want to know what was the material on which he has based his report ?

Sri H. SIDDAVEERAPPA.—Sir, the material basis for his report is according to him, the market rate prevailing then ; at the Secretariat, the Secretariat also has found that his recommendation is in consonance with the market rate, and I have accepted, Sir.

ಶ್ರೀ ಕೆ. ಪುಟ್ಟಸ್ವಾಮಿ.—ಕುಂಸಿ ರೈಲ್ವೆ ಸ್ಟೇಷನ್ನಿನಲ್ಲಿ ಆ ಕಾಲದಲ್ಲಿ ಎಷ್ಟು ಈ ಖನಿಜ book ಆಗಿದೆ ?

Sri H. SIDDAVEERAPPA.—Notice.

ಶ್ರೀ ವಿ. ಆರ್. ನಾಯ್ಡು.—ಈಗ ತಾವು ಉತ್ತರ ಕೊಡುತ್ತಿರುವ 335ನೆಯ ಪ್ರಶ್ನೆ ತುಂಬ ಮುಖ್ಯವಾದ ಪ್ರಶ್ನೆಯಲ್ಲವೇ ?

(*No answer*).

ಶ್ರೀ ವಿ. ಆರ್. ನಾಯ್ಡು.—ಇದರ ಬಗ್ಗೆ ತಾವು Ruling ಕೊಡಬೇಕು. ತಮ್ಮ ದೃಷ್ಟಿಯಲ್ಲಿ ಎಲ್ಲಾ ಅಸೆಂಬ್ಲಿ ಮೆಂಬರುಗಳೂ ಒಂದೇ ಅಲ್ಲವೇ ?

ಅಧ್ಯಕ್ಷರು.—ಹೌದು, ಹೌದು.

ಶ್ರೀ ವಿ. ಆರ್. ನಾಯ್ಡು.—ಹಾಗಾದರೆ ನಮ್ಮ ಮಾನ್ಯ ಹಿರಿಯರಾದ ಶ್ರೀ ಭೀಮಪ್ಪನಾಯಕರು ಪ್ರಶ್ನೆ ಕೇಳುವುದಕ್ಕೆ ೫ ಗಂಟೆ ಕೊಡುವುದಕ್ಕೆ, ನಾವು ಪ್ರಶ್ನೆ ಕೇಳುವುದಕ್ಕೆ ನಿಂತರೆ ಐದು ನಿಮಿಷ ಮಾತ್ರ ಏಕೆ ?

(*No answer*).

Sri V. M. MASCARENHAS.—Would the Government now seriously consider cancelling this contract in view of the fact that the ore has not been taken over for 12 months ?

Sri H. SIDDAVEERAPPA.—There is this difficulty, Sir. Out of three, one has already taken advantage of the latest rate. Sri Avala Reddy has already taken delivery of the stock ; and with regard to the third one, orders are to be issued. I cannot discriminate between one and the other and we have to treat all persons alike.

Sri V. M. MASCARENHAS.—In view of the fact that Sri Gangadharswamy has not lifted his quota for 12 months, is it not unbusinesslike to allow him time to lift his quota ?

Sri H. SIDDAVEERAPPA.—Even in the case of others who had not lifted their quota for one year, we have given them facilities and concession. I would like to examine this case and to give him similar consideration.

I would like to make another point clear, that is, with regard to the question put by Sri Puttaswamy, whether the market rate of the ore has been fixed. The market rate of the ore is fixed on the basis of the permit applied for by the private miners who will also declare the soil value. The rate at pit's mouth Rs. 25-30 rupees per ton was the ruling rate for this grade of ore at that time, that is, up to end of December 1954. Regarding the cost of production at the pit's mouth it cost us Rs. 15-8-0 per ton.

Sri H. M. CHANNABASAPPA.—May I know the present rate of the ore ?

Sri J. MOHAMED IMAM.—We did ask for some time, but not for unlimited time.

Mr. SPEAKER.—I have no objection if the House desires to have one hour for this question.

Sri H. M. CHANNABASAPPA.—I would like to know the present rate of the ore.

Sri H. SIDDAVEERAPPA.—For the present rate, I want notice.

Sugar Company, Mandya (Irregularities Noticed by Anti-Corruption Department).

Q.—393. Sri M. PALANIYAPPAN (Ulsoor).—

Will the Government be pleased to state:—

(*a*) whether it is a fact that there were some irregularities noticed by the Director of the Efficiency Audit and Anti-Corruption in Sugar Company, Mandya;

(*b*) if so, whether he has submitted any report to the Government;

(*c*) when the report was submitted to the Government;

(*d*) what are the malpractices reported in the report;

(*e*) what is the action taken by the Government?

A.—Sri H. SIDDAVEERAPPA (Minister for Home and Industries).—

(*a*) Yes, by the Special Officer, Efficiency Audit who was appointed as Government Auditor under the Articles of Association of the Company, to audit the accounts of the Company for the period from 1951-52 up to end of June 1953.

(*b*) Yes.

(*c*) 20th February 1954.

(*d*) The report showed certain irregular transactions carried out by the Chairman in the conduct of operations of the Company leading to the conclusion that he has acted in a manner detrimental to its interests.

(*e*) The report has been forwarded to the Board of Directors of the Mysore Sugar Company for its views and on the receipt of the same Government will take such action as may be found necessary.

In the meanwhile, Sri A. G. Bandi Gowda, Chairman and Managing Director of the Sugar Company was removed from the Office of the Government Director on the Board of Directors of the Company.

Sri M. PALANIYAPPAN.—On what material did the Government appoint the Special Officer to go into the accounts of this Company?

Sri H. SIDDAVEERAPPA.—On the information made available to the Government.

Sri M. PALANIYAPPAN.—Did any private party give the information or did the Government itself infer?

Sri H. SIDDAVEERAPPA.—The Government have not volunteered, but as to the information available, I cannot disclose what that information is.

Sri M. PALANIYAPPAN.—What is the nature of malpractices?

Sri H. SIDDAVEERAPPA.—I can only refer to one or two, not many. One is sale of 30,000 bags of sugar at Rs. 82 per bag to one Bindiwal Company when the ruling market rate was Rs. 83-12-0 per bag. The second is, entrusting printing work to a firm at the rate of Rs. 23 per book, whereas according to the quotations and information given by some important Presses like the Bangalore Press, etc. it would only cost one rupee per book. The third is, misuse of the Company's funds for supplying ammonium sulphate to one gentleman called Sri M. R. Murthy. These are three important ones.

Sri M. PALANIYAPPAN.—What is the total amount involved in all these three?

Sri H. SIDDAVEERAPPA.—It is considerable.

Sri M. PALANIYAPPAN.—May I know the exact amount?

Sri H. SIDDAVEERAPPA.—Regarding the sale of sugar, the loss is estimated to be Rs. 52,500. Regarding the printing work, the loss is estimated to be Rs. 50,000 to 60,000. Regarding the sale of ammonium sulphate, the loss is estimated to be a few thousands of upees; Rs. 2,545 is the actul loss and the other is some contemplated interest on the capital investment.

Sri M. PALANIYAPPAN.—When was the Chairman of the Sugar Company removed from the office?